

17 August 1999

Information for Clients, No 7

This Information for Clients notice contains two parts:

- Part A covers policy decisions made by the Office and confirmation of proposed procedures after consultation with clients
- Part B covers proposed changes to procedures.

The Intellectual Property Office is considering the introduction of the practices contained in Part B. The proposals are being issued at this time to practitioners and other interested parties for comment by 17 September 1999.

Please address all feedback to Siân Roberts, Team Leader Client Services, at the Intellectual Property Office (email – roberts@iponz.govt.nz).

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PART A

Rationalisation of Proprietor Information

In order to improve the consistency and quality of data on the electronic database, the Office will be making changes in the presentation of proprietor information held. Currently, there are many different forms of the same proprietor's details. In some cases this is due to genuine differences such as a different address or group of the company. In the majority of cases however, it is due to minor differences in the form of the data, such as punctuation, or in errors in the spelling or address of the party involved.

The first stage of the change will be a computer rationalisation of data into a consistent form for each data field. For example, all entries of "Company" will be in the full form. Any abbreviations such as "Co.", "Comp" etc, will be extended to "Company". A full list of the form that various fields will take is listed below.

FROM	ТО	
Post Office Box/P. O. Box/PO Box	PO Box	
United States of America/ U.S.A.	USA	
AND/ and	&	
ANONYME SOCIETE	ANONYME SOCIETE	
AKTIENGESELLSCHAFT/ AG	AKTIENGESELLSCHAFT	

AKTIENBOLAG		
AUSTRALIA		
BV		
COMPANY		
CORPORATION		
ET CIE		
GMBH		
INCORPORATED		
KG		
KABUSHIKI KAISHA		
KGAA		
LLC		
LIMITED		
LIMITEE		
LIMITED PARTNERSHIP		
MBH		
NV		
NP		
OHG		
OY		
PLC		
PTE		
PTY		
SOCIETA ANONIMA		
SOCIETE ANONYME		
SPA		
SOCIETA		
RESPONSIBILITE LIMITEE		
SARL		
SOCIETE EN		
COMMANDITE		
SOCIETE EN		
COMMANDITE PER		
ACTIONS		
SOCIETE EN NOM		
COLLECTIF		
UNITED KINGDOM		
VOLKSEIGENER BETRIEB		

The second stage of the rationalisation process involves a manual check of the files to check any data errors such as incorrect spelling, abbreviated addresses etc. Punctuation will also be removed, for example "KAREN M. O'BRIEN" will be changed to "KAREN M O'BRIEN" and "Maryland, 20852" to "Maryland 20852".

The Office acknowledges that there are some proprietors who prefer their name to be in a certain form, and that their preferred form may not be consistent with the form that the Office is rationalising to, as detailed in the above table. The Office would like to meet the needs of those clients, whilst at the same time preserving the quality and consistency of data held on the database.

Therefore, **from 1 November 1999**, the Office will accept requests from proprietors to amend their rationalised name on the system to a form that is preferable to them. **However, only one form of a company name on the database will be permitted.** For example, "Novartis Aktiengesellschaft " might notify us that they prefer their name in the form "Novartis AG". The office will make the amendment but will then require all applications from that company to take that form of the name. If anyone has any questions regarding this please contact Debbie Monahan or George Wardle.

Proposed rollout dates for IPOL – non-filing dates

As at this date, the rollout of the new software system (IPOL) has been set for the weekend of 1 October 1999. In order to facilitate the successful rollout of IPOL, the Commissioner has hereby declared Friday 1 October 1999 and Monday 4 October 1999 to be non-filing dates. Formal notification of this will be placed in Journal 1444, due to be published in September. All applications and correspondence received at the Companies Offices, Levin House, late filing box and by post or courier on Friday 1 October and Monday 4 October 1999 will be date-stamped as 30 September 1999. On Tuesday 5 October 1999 mail will be processed in the usual way.

The proposed rollout date for IPOL was initially set for September 6 1999. During the final business testing stage of the software, the Office became aware of the requirement for a number of changes to internal procedures that would be required to optimise services under IPOL. As a result of establishing those procedures, the Office elected to extend the time set for staff training so that all training and procedural issues could be addressed. This resulted in the rollout date being put back four weeks to the date above.

New Zealand Patent Office Journal

Since November 1998, the Office has been providing clients with CD ROM versions of the Patent Office Journal to assess clients' acceptance and comment on this medium. The CD ROM has been received very favourably and, with modifications following client feedback, the Office is now offering clients the opportunity to substitute their paper Journal subscription for the CD ROM service.

Clients should note that with the implementation of the Intellectual Property On-Line (IPOL) software, the Journal will **only** be published in the CD ROM format from Journal 1445, due to be published on 28 October 1999.

From October 1999 the subscription fee for one year's supply of the Journal on CD ROM will be \$240.00. This fee applies to a subscription to one address and includes GST for New Zealand subscribers and postage for overseas subscribers. Requests for more than one disk to be sent to a subscription address will incur no extra charge.

An invoice to start your new annual subscription requirements for the CD ROM service will be sent to existing subscribers in August 1999, and a refund for the remainder of current subscriptions will be paid during September 1999.

New Subscription requests can be sent to Sue Whiteman, email whitems@companies.govt.nz or facsimile number +64 4 568 0747.

Patent data summary sheets

From 1 September 1999 the Patent Summary Data Sheets will no longer be sent out for new patent applications.

A number of changes have recently been implemented in the procedures for capturing information on new patent applications, especially in the way information is captured for Treaty applications entering national phase. This, combined with new quality assurance measures introduced, has meant that few sheets are now being returned to the Office. Should clients notice an error in any information held on our database they can contact the Office at any time to have the appropriate data corrected.

Period between application for and registration of a trade mark

Any application that falls due for registration less than 6 months from the physical date of filing, will not be registered until after 6 months from that date. This practice applies immediately to all applications including those that have already been advertised, but not registered.

Notice of abandoned trade mark applications

When an applicant, following advice in writing that their application will be abandoned should it not be placed in order by a specified date, fails to, by the due date.

- place the application in order, or
- make a genuine attempt to address any outstanding issues, or
- requests and is then granted an extension of time,

the application will be abandoned and written confirmation of abandonment <u>will</u> be sent to the applicant.

Any delay in notifying, or any failure to notify, an applicant that the application has been abandoned should not be taken by the applicant as an indication that the Office is still considering the merits of the application.

In addition, any such delay or failure will not be grounds for reinstatement of the application.

Notice of 'non-completion' of trade marks

The practice of sending a separate notice of non-completion advising that an application will be abandoned should it not be placed in order by a specified date, does not preclude, in place of such notice, the incorporation of such advice in other correspondence with an applicant.

An applicant should treat as advice of non-completion, any correspondence from the Office where it is made clear that an application will be abandoned should it not be placed in order for acceptance by the specified date.

Trade Mark specifications of goods and services

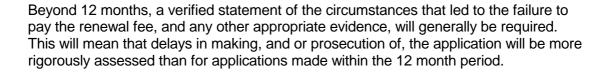
Applicants will no longer be required to add the words "all being goods/services in this class", or like wording, to trade mark specifications containing goods or services which may eligible for classification in more than one class.

Trade Mark evidence and accompanying exhibits in support of registration

- Trade mark exhibits provided in support of registration that are unable to be securely placed on the relevant application file will be returned to the applicant if so requested at time of lodgement, or destroyed, following either registration or abandonment of the application.
- 2. Clear and detailed photographs of exhibits will, in most cases, continue to be accepted in place of the exhibits themselves.
- 3. Exhibits containing one or more of the following are not to be provided unless there is no practical alternative:
 - Food stuffs
 - Liquids
 - Any material, such as glass, which if damaged in any way may be dangerous
 - Any material that is not directly related to the trade mark applied for e.g. the contents of containers where those contents are immaterial to the trade mark concerned.

Restoration of patents and trade marks

Where an application for restoration of a registered patent or trade mark is filed with the Office within 12 months from the expiry of the patent or trade mark, applicants can expect that such applications will generally be granted as a matter of course. The justification for restoration at this time need not be as detailed or compelling as what is required for applications received after 12 months from the expiry date.



Patents – extension of time request under regulation 168 and Designs – extension of time request under regulation 82

The Office will only allow extensions of time requests under Regulation 168 of the Patents Act and Regulation 82 of the Designs Act where it accepts that genuine and exceptional reasons exist. For example, time delays in applicants receiving convention documents from overseas I P Offices will be considered a genuine reason for an extension.

Address for service

The Office will accept as the address for service in New Zealand:

- A full street or residential address
- A Post Office box address
- A document exchange box number

Hearings Office – review of process

OVERVIEW

The Commissioner thanks respondents for their detailed and considered responses to the discussion document included in the Information for Clients, March 1999.

The primary aim of this review is to provide a greater level of management and consistency in the hearings process. The changes outlined below are, to a large extent, guidelines and the Commissioner retains a discretion to decide in a different manner in a particular case.

In reaching a final view on the matters covered in this process review, it has been necessary to balance a number of interests. In particular, the public interest in ensuring efficient hearing or resolution of matters before the Hearings Office; the interests of both the public and parties in ensuring that the Hearings Office has before it full evidence in relation to a matter and achieving a level of certainty and consistency in relation to the issues covered.

AWARD OF COSTS

The introduction of a schedule of costs to be used as a guideline for the Hearings Office was largely endorsed by the respondents. It is acknowledged that the method of determining the appropriate award of costs should be consistent from case to case. The Commissioner does, however, have the discretion to vary the costs awarded.

The Hearings Office will introduce the schedule of costs attached as appendix 1. As a general rule, costs will be awarded in accordance with the schedule.

The Hearings Office may reduce an award or deem an award to be inappropriate.

It is normal practice that costs are awarded to the successful party. However, where the successful party's actions have caused some unnecessary complications, such as adjournment, that party may have to pay costs arising from that part of the proceedings.

Where an opposition is not wholly successful but as a result of the opposition the application is accepted with some restriction or modification then, dependant on the circumstances, all of the costs may be awarded to the opponent or, alternatively, each party may be found to be responsible for their own costs.

In all instances related to an award of costs, the Hearings Office will give all parties reasonable opportunity to make representations concerning the matter before coming to a decision.

Any representations regarding costs, including a detailed list of costs incurred, is to be included in written submissions provided prior to the hearing.

FILING OF WRITTEN SUBMISSIONS PRIOR TO HEARINGS

The respondents largely endorsed the filing of written submissions prior to hearings.

It is the current practice of some parties to file written submissions prior to the date of a hearing. This practice allows the Hearing Officer to review and become familiar with submissions prior to the hearing, which in turn allows the hearing to focus on the key issues and improves the level of discussion within the hearing.

Written submissions are to be provided in every case seven days prior to a hearing. The submissions may be delivered to the Hearings Office by hand, mail, fax or as an attachment to an email message.

At this time, in inter-parte hearings, each party will receive the other party's submissions at the time of the hearing, as is current practice. It is intended to keep this practice under review with an ultimate intention to require the serving of submissions to the other party prior to the hearing.

The Office wishes the practice to be standardised to improve the efficiency and effectiveness of the hearings process for all concerned.

EXTENSION OF TIME

A number of respondents raised issues in relation to the extension of time proposals.

In reaching a final position on this matter a number of the comments made were taken into account. In particular, the observations relating to the time that can be taken in the gathering of evidence from overseas and the consolidation of evidence. The point is noted also that New Zealand proceedings often correspond to overseas proceedings and that there is an interest on the part of clients in co-ordinating such actions.

It is acknowledged that there is a public interest in ensuring that a Hearings Officer is in receipt of all relevant evidence before making a decision.

The extension of time guidelines are a guide only. There may be circumstances in which the Commissioner, in the exercise of his discretion, makes a decision contrary to that set out in these guidelines.

Extensions of time are provided to meet exceptional circumstances where, despite acting diligently, the party concerned cannot meet the regulated deadline.

In cases where regulated time spans are not being met the Office may direct that a specific timetable be adhered to, in the interest of ensuring that the proceedings are completed within a reasonable timeframe.

Patent Opposition - initial extension under Section 21(2)

The Assistant Commissioner's decision in *The Grated Cheese Company Case* affirmed that initial extensions of one month, under Section 21(2) are an exercise of the Commissioner's discretion. The case also signalled that the expectation that such extensions will be granted as a matter of course would continue. The justification for an extension at this stage of proceedings need not be as detailed or compelling as for extensions at other times. For example, the mere indication that the potential opponent is investigating whether it should oppose will be adequate justification for a Section 21(2) extension.

Justification for Extensions in Respect of Trade Marks, Patents and Designs

In making a request for an extension of time, a party must give full and detailed reasons for the request. The onus is on the party seeking an extension to justify the extension, and this will require a minimum of:

- the reasons why it has not been possible to complete the required action within the required time. (including details demonstrating that there has been no lack of diligence on the part of the applicant);
- the present status in completing the required action;
- what actions are outstanding to meet the deadline now sought;
- an anticipated timetable.

Consent

The consent of the other party will in most cases be justification for the grant of an extension of time. Parties seeking extensions with the consent of the other side must also set out the circumstances that justify the extension. Written consent to the

extension of time, from the other party, must accompany the extension of time application.

Where parties are in negotiation and extra time is needed to reach settlement the Office will in general grant an extension. However, in the majority of cases it is expected that where parties are negotiating that the overall regulated time span of six months will be adhered to.

Period of Extensions

The Regulations provide for specific time lines at all stages of proceedings. It is expected that no extensions will be sought which exceed the regulated period unless extremely clear documentary evidence is submitted at the outset.

The following is a guide only to what the Office considers to be reasonable periods for extensions at various stages of proceedings, where the extension has been justified (by the provision of documentary evidence set out above).

- Opposing a patent, trade mark or design a period not exceeding one month.
- For filing a statement of case or counter statement in patent, trade mark or design proceedings two months, or with consent four months.
- For filing evidence in patent, trade mark or design proceedings a period not exceeding four months, unless there is evidence of exceptional circumstances.
- For filing evidence in reply to trade mark or design proceedings a period not exceeding one month and for filing evidence in reply to patent proceedings two months, unless there is evidence of exceptional circumstances.

Transparency in proceedings

All parties to inter-parte proceedings will copy any of their correspondence to the Office, including extension of time applications, to the other party(ies) involved. A party that may be disadvantaged by the grant of any extension should promptly advise the Office of any concerns it may have.

Extensions sought after the time for taking action has passed

The Regulations provide that, in some circumstances, an extension may be granted after the time has passed for taking the action. The Office considers that where this is permitted by the Regulations an extension should only be granted where there is an adequate explanation of lateness. It is expected that there be no evidence of lack of diligence on the part of the applicant for the extension.

Fees for extension applications

From 1 July 1999 no fees are payable on extensions of time applications.

<u>Abeyance</u>

Where proceedings are held in abeyance, formal extension of time fees will not be required. The terms and conditions on which the Office is prepared to allow abeyance are as follows:

- The parties must be involved in meaningful negotiations, with a realistic expectation of achieving settlement, for which they require further time.
- Proceedings must have been initiated, by at least the filing of an initial extension of time application. Patent Opposition proceedings must have been initiated by the filing of Notice of Opposition.
- Both parties must request/agree to the proceedings being placed in abeyance.
 The onus is on the party initiating the request for abeyance to obtain and file the
 written consent of the other party. Until this is filed no party may regard the
 proceedings as being in abeyance, and formal extension of time must be sought
 in the usual way. Neither party is to ask or rely on the Office to obtain or seek
 the other side's consent.
- Once abeyance has been agreed to the proceedings will be "stayed" at the point they were at when placed in abeyance, without the need to file formal extension of time applications of fees.
- The period of abeyance is expected not to exceed six months. The Office expects that settlement negotiations will be concluded within the six month abeyance period.
- Either party may withdraw their consent to the stay in proceedings at any time, by advising the Office (and the other party) in writing. Proceedings must then recommence.
- The Office will direct that proceedings are to re-commence at the stage they were when suspended, with the Office allowing one month for the taking of the next action.
- The Office reserves the right to direct that proceedings re-commence at any time, but will not normally do so unless it is apparent that an interest of a third party, or the public interest, is being affected by the stay in proceedings, or that the period of abeyance has exceeded six months.

NOTICES OF OPPOSITION TO MULTIPLE CLASS TRADE MARKS

Present practice requires the filing of a separate Notice of Opposition, including the associated fees, for each trade mark being opposed.

In future, where an opposition relates to several trade marks that are identical but that fall in multiple classes the opposition may be incorporated into a single Notice of Opposition with the fee being \$300 for the Notice.

APPENDIX I

SCHEDULE OF COSTS

Item Number	Matter	Cost (Trade Marks)	Cost (Patents)
1	Notice of Opposition	\$500	\$500
2	Counter-statement	\$300	\$300
3	Evidence in support	\$800	\$800
4	Receiving and perusing evidence in support	\$400	\$400
5	Evidence in answer	\$800	\$800
6	Receiving and perusing evidence in answer	\$400	\$400
7	Evidence in Reply	\$200	\$200
8	Receiving and perusing evidence in reply	\$100	\$100
9	Preparation of cases for hearing	\$500	\$500
10	Attendance at hearing by counsel	\$180 an hour or \$810 a day.	\$180 an hour or \$810 a day.

PART B - PROPOSED PRACTICES

Comments relating to these proposed practices are invited. All comments should be addressed to Siân Roberts, Team Leader Client Services (Email – roberts@iponz.govt.nz) by 17 September 1999.

Addition of examples before and after acceptance of patent applications

Proposal

Except in exceptional circumstances no examples may be added to a specification before acceptance without post dating to the date the new examples were proposed. Unless exceptional circumstances exist no new examples may be added after acceptance.

Rationale

The situation regarding the addition of examples needs to be clarified.

Under section 10(3)(b) the applicant has to disclose the best method of performing the invention which is known to the applicant. This is construed as being the best method(s) known at the time they file their complete specification. The Office must accept the example(s) disclosed as being the best method(s) known unless there is a relevant reason for not accepting them as such.

Given the importance of specific examples, the addition of examples at a later date can be seen as adding new matter. The applicant could potentially gain an advantage for the delay between filing and acceptance to upgrade their claimed invention.

This advantage is particularly crucial when some applications have been in the technical examination stage for several years. In these cases applicants are able to take advantage of knowledge (including specific examples) in later filed applications which go relatively quickly to acceptance and publication. They are potentially able to add examples shown to have been made in the later applications in their pending applications. The Office considers this is unacceptable and believes that the correct way to deal with later examples is to file a new application.

Patenting of computer software

Proposal

The Intellectual Property Office of New Zealand will grant patents for computer programs when so claimed or when claimed as a record of the program in any material form.

Rationale

A method claim and a program claim with an appropriate exchange of words "method" for "program" and vice versa are the same and of the same scope. A program to operate a computer to achieve a particular result is no different from a method of operating a computer to achieve that result. "Method" and "program" are synonymous in everyday language and when applied to computer operation. If we allow "method" under section 2 then we should allow "program".

Article 27(1) TRIPS states "patents shall be available for any inventions, whether products or processes, in all fields of technology, provided they are new, involve an inventive step, and are capable of industrial application.

Computers and computer software is a vast and rapidly developing "field of technology". Computer programs are certainly processes or define processes, or become processes when "called" to operate a computer. They are capable of industrial application. To fulfil the TRIPS requirements the software for which a patent is sought must be new and involve an inventive step.

Parent and subsidiary businesses and citations under section 17 of the Trade Marks Act

Proposal

Where the proprietor of a later filed trade mark is the parent or subsidiary in business of the proprietor of an earlier filed or registered trade mark, a citation raised under section 17 of the Act may be overcome if consent from the proprietor of the earlier filed or registered trade mark is provided to the Office.

Rationale

Office practice when a later filed trade mark is identical or confusingly similar to an earlier filed or registered trade mark is to raise a citation under section 17(1), (2), (3) or (4) of the Act. The Office will raise a citation regardless of any business relationship there may be between the applicant and the proprietor of the earlier filed or registered trade mark.

Sections 17(1), (2), (3) and (4) are subject to section 17(5), which allows the Commissioner to consider other special circumstances which may permit the registration of a later filed mark that is identical or confusingly similar to an earlier filed or registered trade mark. One of these special circumstances is the business relationship between the applicant and the proprietor of the earlier filed or registered trade mark.

To overcome a citation, previous Office practice required the assignment of one or other of the application or cited mark so that both were placed in the name of the same proprietor. Citations were also overcome by the entry on the Register of a FERRERO condition. The option of either the requirement for assignment or inclusion of the condition were not always in the best interests of the affected proprietors.

The Office now considers that most efficacious means of overcoming such citations, where the affected parties are parent and subsidiary in business, is for the applicant for the later filed mark to seek the consent of the proprietor of the cited earlier filed or

registered trade mark. As the applicant and proprietor concerned will be linked businesses, the required consent should be relatively easy to obtain.

The proposed practice is an extension of that where consent has been able to overcome citations raised where the applicant and proprietor concerned have no business relationship at all.

Confidential information supplied in support of a trade mark application

Proposal

Material an applicant provides in support of an application and which is commercially sensitive and which the applicant does not wish the Office to disclose to a third party, should be clearly marked "Confidential" and placed in a separate envelope also marked "Confidential".

As a guide, material the Office considers as meriting confidentiality will include, but not be limited to, the following:

- Sales figures
- Advertising figures
- Client lists

Any other material marked by the applicant as confidential may or may not be disclosed to a third party as the Commissioner determines.

Rationale

The Office frequently receives correspondence and accompanying material that is commercially sensitive but which is not marked as confidential. The Office also receives correspondence and accompanying material marked confidential but which includes no information that is commercially sensitive.

The Office wishes to easily differentiate between material that is commercially sensitive and material which is not. The separation and then identification of sensitive material from that which is not, will greatly assist the Office and eliminate the prospect of the unintentional release of commercially sensitive information.

Request for late entry into national phase

Proposal

The following procedure is proposed to be implemented by the Office in allowing requests for late entry into National Phase under the provisions of Article 48(2)(b).

1 Requests are to be made as soon as possible after the discovery of the failure to request entry into National Phase within the prescribed time. Such requests are to be accompanied by supporting evidence in the form of

- statutory declaration(s) or affidavit(s) by a person or persons with first hand knowledge of the prosecution history.
- The evidence in support of the late entry application must establish that the failure to enter the National Phase within the prescribed time (whether as a consequence of a failure to file a demand for international preliminary examination within the prescribed time or otherwise) was unintentional and that no undue delay has occurred in making the late entry request.
- 3 Evidence should be filed within one month of making the late entry request.
- The interests of third parties will be protected by advertising the requests when they are received and allowing interested parties a period of one month from advertisement in which to notify the Office of their intention to object.
- Any party opposing will be given one month from receiving a copy of the applicant's evidence to make out their grounds upon which they object to the granting of the request. Likewise, the applicant will be given a period of one month to respond to the opponent's grounds for objection.
- The Office will make a decision whether to grant the request after the applicant has responded to the opponents grounds for objection, given that the response has been received within the prescribed period.
- 7 Any decision of the Office will be final, with no appeal process being available to either party.
- 8 Should a late entry request be granted it will be advertised again.
- 9 Failure by applicant in the above process to meet any of the prescribed time limits will result in their request for late entry lapsing. Likewise, failure of the opponent to meet their prescribed time limits will result in their objection not being considered further by the Office.

Rationale

The procedure in which the Office may grant requests for late entry into national phase of the Patent Co-operation Treaty under Article 48 is not currently regulated. The current practice has been reviewed with a view to prescribing time limits in which the late entry requests should be managed in keeping with the Office's general intention of resolving all issues in a timely manner.

Neville Harris

Commissioner of Patents, Trade Marks and Designs